**EconEdLink: Where Did All the Money Go? – Clue Sheet #2**

Labor & Employment

**Visit the following web sites and answer each of the questions.**

Go to Overall unemployment rate in civilian labor force, 1920-2000

(<http://www.infoplease.com/ipa/A0104719.html>)

1. What occurred in the unemployment rate between 1920 and 1934? (be specific)

The unemployment rate had been shifting slowly from 1920-1930 and increased only by about 3 percent by 1930. But in the two years between 1930-1932, the unemployment rate experienced an immense increase in unemployment, an increase of 14.9%, adding up to a whopping 23.7% which meant 1/5 of America’s entire population was unemployed.

2. What events might explain this trend. Refer to Clue Sheet #1. (World and US Events)

The Great Depression :I

Go to Employment status by industry 1929 – 1998

(<http://www.infoplease.com/ipa/A0104719.html>)

1. How many persons were employed in 1929? 1932?

1929:47.6 million 1932:38.9 million

2. What happened to the number employed in farming from 1929-1932?

It decreased a tiny bit by about 300,000

3. What happened to labor in the goods producing sector between 1929-1932?

It decreased by 4.7 million

4. Which employment category was the only one to rise from 1929-1932?

State and Local Government

Go to Women in the civilian labor force 1900-1998

(<http://www.infoplease.com/ipa/A0104673.html>)

1. Compare the percentage change from 1900-1940.

The increase was slow until a good jump between 1930-1940

2. Which decade experienced the largest percentage increase before 1940?

The 1900’s

3. What factors or events might explain that?

            The ratification of the 13th Amendment had just occured

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**Poverty & Income**

Visit the following web sites and answer the questions.

Go to Per capita personal income (<http://www.bea.gov/bea/regional/spi/>)

**1.**What was per capita personal family income in 1935?

            $418

**2.**What happened to per capita income from 1929-1935?

            Decreased by 154

**3.**What was the impact on farm incomes in total dollars during this time period?

            They decreased from 12 billion all the way down to 5 billion

Go to Farm Income (<http://www.infoplease.com/ipa/A0104738.html>)

**1.**When did government payment to farmers begin?

1935

**2.**Why did they start?

To prevent the farms from closing so that the food supply wouldn't be cut off to cities during the depression.

**3.**What happened to cash from crops? Livestock?

They both constantly increased in sales but people bought livestock more.

**4.**How long did it take farmers to get back to pre-depression income levels?

???

Go to Retail prices of selected foods in US cities

(<http://www.infoplease.com/ipa/A0873707.html>)

1. Between 1920 and 1935, what happened to the prices of food? (be specific)

All the prices of food began dropping by all sorts of intervals.

2. Why might this be a bad trend for the economy?

Agriculture producers will lose drastic amounts of revenue.

Economy & Government

Visit the following web sites and answer the questions.

Go to GDP 1930-1998 (<http://www.infoplease.com/ipa/A0104575.html>)

1. What was the increase in government spending from 1930 to 1940? (in dollars)

It increased by 5 billion dollars

2. What percentage of GDP was government spending in 1930?

5%

3. What would explain the increase from 1930 to 1940?

The great depression caused the government to take action end spend money to fix the incoming problems.

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4. How does the percentage in the decade 1930-1940 compare to the percentage of

government spending GDP during the last half of the century?

7%

5. What might explain that trend?

The answer to number 3?

Go to Receipts and outlays of federal government, 1789-2005

(<http://www.infoplease.com/ipa/A0104753.html>)

1. What happened to the federal budget between 1920 and 1930?

It decreased largely but then increased a small bit between 1925 and 1930.

2. What might explain this?

It was taking time to raise more money to spend using the budget.

3. What was occurring between 1930-1935? Why was this happening?

It doubled because the government had to spend so much more because of the payment to farms due to the depression.

Go to The Public Debt (<http://www.infoplease.com/ipa/A0104572.html>)

1. What was the trend from 1920-1925? 1925-1930? 1930-1935?

1920-1925: National Debt decreased by 5 billion, 1925-1930: The debt decreased by 4 billion, 1930-1935: The debt increased by 12 billion.

2. What events or factors caused these changes?

The depression began placing stockholders in debt as well as the commonman. Causing a huge increase of debt between 1930-1935 when the depression first began.

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